

Registered number
2909660

London & Regional Properties Limited

Report and Accounts

30 September 2005



London & Regional Properties Limited
Report and accounts
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London & Regional Properties Limited
Company Information

Directors

Mr I M Livingstone
Mr C King
Mr R Luck
Mr J Mills

Secretary

Mr R N Luck

Registered Office

St Alphage House
2 Fore Street
London
EC2Y 5DH

Auditors

UHY Hacker Young
168 Church Road
Hove
East Sussex
BN3 2DL

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London & Regional Properties Limited
Directors' Report

The directors present their report and accounts for the year ended 30 September 2005.

Principal activities and review of the business

The company acts as a provider of a wide range of property management and development services. The directors consider the financial position at 30 September 2005 to be satisfactory.

Results and dividends

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Mr I M Livingstone

Mr C King

Mr R Luck (appointed 16 December 2005)

Mr J Mills (appointed 23 February 2006)

The directors had no interests in the issued share capital of the company at any time during the year ended 30 September 2005.

Fixed Assets

The movement in fixed assets during the year is set out in note 6 to the accounts.

Auditors

The company passed an Elective Resolution during the year, pursuant to Section 386 of the Companies Act 1985, electing to dispense with the obligation to re-appoint auditors annually. The resolution remains in force.

This report was approved by the board on 23 June 2006.

Mr R N Luck



Secretary

London & Regional Properties Limited
Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

London & Regional Properties Limited

Independent auditors' report to the shareholder of London & Regional Properties Ltd

We have audited the accounts of London & Regional Properties Limited for the year ended 30 September 2005 which comprise pages 5 to 13. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



UHY Hacker Young
Chartered Accountants and Registered Auditors

168 Church Road
Hove
East Sussex
BN3 2DL

23 June 2006

London & Regional Properties Limited
Profit and Loss Account
for the year ended 30 September 2005

	Notes	2005 £	2004 £
Turnover		5,968,061	4,523,747
Administrative expenses		(14,028,163)	(6,158,532)
Operating loss	2	<u>(8,060,102)</u>	<u>(1,634,785)</u>
Interest receivable		558,722	1,421,752
Interest payable	4	(1,028,414)	(263,011)
Loss on ordinary activities before taxation		<u>(8,529,794)</u>	<u>(476,044)</u>
Tax on loss on ordinary activities	5	-	360,473
Loss for the financial year		<u>(8,529,794)</u>	<u>(115,571)</u>
Retained loss for the financial year	10	<u>(8,529,794)</u>	<u>(115,571)</u>

London & Regional Properties Limited
Statement of total recognised gains and losses
for the year ended 30 September 2005

	Notes	2005 £	2004 £
Loss for the financial year	10	(8,529,794)	(115,571)
Total recognised gains and losses related to the year		<u>(8,529,794)</u>	<u>(115,571)</u>

London & Regional Properties Limited
Balance Sheet
as at 30 September 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	6	4,752,724	353,100
Current assets			
Debtors	7	207,466,784	212,948,339
Cash at bank and in hand		30,662,460	7,059,286
		<u>238,129,244</u>	<u>220,007,625</u>
Creditors: amounts falling due within one year	8	(252,106,227)	(221,055,190)
Net current liabilities		(13,976,983)	(1,047,565)
		<u>(9,224,259)</u>	<u>(694,465)</u>
Capital and reserves			
Called up share capital	9	8	8
Profit and loss account	10	(9,224,267)	(694,473)
Shareholders' funds:			
Equity		(9,224,265)	(694,471)
Non-equity		6	6
	11	<u>(9,224,259)</u>	<u>(694,465)</u>


Mr I Livingstone
Director

Approved by the board on 23 June 2006

London & Regional Properties Limited
Cash Flow Statement
for the year ended 30 September 2005

	Notes	2005 £	2004 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating loss		(8,060,102)	(1,634,785)
Depreciation charges		471,347	112,046
Decrease/(increase) in debtors		5,481,555	(58,258,709)
Increase in creditors		31,051,037	57,491,222
Net cash inflow/(outflow) from operating activities		<u>28,943,837</u>	<u>(2,290,226)</u>
CASH FLOW STATEMENT			
Net cash inflow/(outflow) from operating activities		28,943,837	(2,290,226)
Returns on investments and servicing of finance	12	(469,692)	1,158,741
Taxation		-	(4,990,569)
Capital expenditure	12	(4,870,971)	(360,094)
		<u>23,603,174</u>	<u>(6,482,148)</u>
Financing	12	-	-
Increase/(decrease) in cash		<u>23,603,174</u>	<u>(6,482,148)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		23,603,174	(6,482,148)
Change in net (debt)/funds	13	<u>23,603,174</u>	<u>(6,482,148)</u>
Net funds at 1 October		<u>7,059,286</u>	<u>13,541,434</u>
Net funds at 30 September		<u>30,662,460</u>	<u>7,059,286</u>

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2005

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies which have been consistently applied are given below.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that give rise to an obligation to pay more or less tax in the future. Deferred tax is not recognised when fixed assets are revalued unless, by the balance sheet date, there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Deferred tax is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Development properties

Development properties represent property held with the intention of resale. Development property is included at the lower of cost and net realisable value. Where cost exceeds the value of the property then adjustments are made to write down the value accordingly. Cost represents all costs incurred to the balance sheet date but does not include any interest costs.

Turnover

Turnover comprises management charges receivable from group undertakings and other sundry turnover net of value added tax.

Depreciation

Provision is made for depreciation on all tangible assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Fixtures & Fittings	20% per annum on a straight line basis
Motor Vehicles	20% per annum on a straight line basis
Plane	6.67% per annum on a straight line basis

Pension

The pension cost charge in the financial statements represents the contributions payable by the company during the year.

Operating Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2 Operating loss

	2005 £	2004 £
This is stated after charging/(crediting):		
Audit fees	29,840	37,450
(Waivers of)/provisions against loans to related undertakings	(3,458,263)	826,409
Depreciation of owned fixed assets	471,347	112,046
Employee benefit trust	7,500,000	-

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2005

3 Staff costs	2005	2004
	£	£
Employee costs including executive directors amounted to:		
Salaries	3,691,659	2,320,503
Pension costs	9,094	23,846
Social security costs	445,393	283,561
	<u>4,146,146</u>	<u>2,627,910</u>
	Number	Number
The average weekly number of employees including executive directors was:		
Management and administration	<u>31</u>	<u>32</u>
	£	£
Directors' emoluments were as follows:		
Directors' remuneration	<u>463,750</u>	<u>322,500</u>
The company has also made contributions to employees' personal pension schemes amounting to £9,094 (2004 £23,846).		
	£	£
Highest paid director:		
Remuneration	413,750	272,500
Pension contribution	<u>-</u>	<u>-</u>
4 Interest payable	2005	2004
	£	£
Other interest	<u>1,028,414</u>	<u>263,011</u>

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2005

5 Taxation	2005	2004
	£	£
Adjustments in respect of previous periods	-	(360,473)

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are:
explained as follows:

	2005	2004
	£	£
Loss on ordinary activities before tax	(8,529,794)	(476,044)
Standard rate of corporation tax in the UK	30%	30%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(2,558,938)	(142,813)
Effects of:		
Income not taxable	(1,037,479)	-
Expenses not deductible for tax purposes	5,300	253,856
Depreciation in excess of capital allowances	14,438	(7,504)
Surrender/(receipt) of tax losses through group relief	3,576,679	(103,539)
Adjustments to tax charge in respect of previous periods	-	(360,473)
Current tax charge for period	-	(360,473)

6 Tangible fixed assets

	Plane	Fixtures & Equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 October 2004	-	772,667	238,082	1,010,749
Additions	4,640,369	224,017	6,585	4,870,971
At 30 September 2005	4,640,369	996,684	244,667	5,881,720
Depreciation				
At 1 October 2004	-	433,214	224,435	657,649
Charge for the year	309,358	143,758	18,231	471,347
At 30 September 2005	309,358	576,972	242,666	1,128,996
Net book value				
At 30 September 2005	4,331,011	419,712	2,001	4,752,724
At 30 September 2004	-	339,453	13,647	353,100

7 Debtors	2005	2004
	£	£
Trade debtors	352,500	-
Amounts owed by directors	5,846,359	-
Amounts due from group undertakings	174,031,487	186,037,595
Development projects	14,871,643	19,352,779
Prepayments and accrued income	4,079,638	4,111,283
Other debtors	8,285,157	3,446,682
	207,466,784	212,948,339

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2005

8 Creditors: amounts falling due within one year	2005	2004
	£	£
Amounts owed to directors	-	2,052,179
Trade creditors	725,190	1,720,907
Amounts due to group undertakings	241,421,325	216,320,638
Other taxes and social security costs	307,595	441,622
Other creditors	122,134	267,194
Accruals and deferred income	9,529,983	252,650
	<u>252,106,227</u>	<u>221,055,190</u>

9 Share capital	2005	2004	2005	2004
	No	No	£	£
Authorised:				
Ordinary shares of £1 each	2	2	2	2
Deferred shares of \$1 each	10	10	6	6
			<u>8</u>	<u>8</u>
	2005	2004	2005	2004
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2	2	2	2
Deferred shares of \$1 each	10	10	6	6
			<u>8</u>	<u>8</u>

10 Profit and loss account	2005	2004
	£	£
At 1 October 2004	(694,473)	(578,902)
Retained loss	(8,529,794)	(115,571)
	<u>(9,224,267)</u>	<u>(694,473)</u>
At 30 September 2005		

11 Reconciliation of movement in shareholders' funds	2005	2004
	£	£
At 1 October 2004	(694,465)	(578,894)
Loss for the financial year	(8,529,794)	(115,571)
	<u>(9,224,259)</u>	<u>(694,465)</u>
At 30 September 2005		

London & Regional Properties Limited
Notes to the Accounts
for the year ended 30 September 2005

12 Gross cash flows	2005	2004
	£	£
Returns on investments and servicing of finance		
Interest received	558,722	1,421,752
Interest paid	(1,028,414)	(263,011)
	<u>(469,692)</u>	<u>1,158,741</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>(4,870,971)</u>	<u>(360,094)</u>

13 Analysis of changes in net debt	At 1 Oct 2004	Cash flows	Non-cash changes	At 30 Sep 2005
	£	£	£	£
Cash at bank and in hand	7,059,286	23,603,174	-	30,662,460
Total	<u>7,059,286</u>	<u>23,603,174</u>	<u>-</u>	<u>30,662,460</u>

14 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2005	Land and buildings 2004	Other 2005	Other 2004
	£	£	£	£
Operating leases which expire:				
in over five years	303,120	303,120	-	-
	<u>303,120</u>	<u>303,120</u>	<u>-</u>	<u>-</u>

15 Related parties

At 30 September 2005 the company was owed by I.M. Livingstone and R.J. Livingstone, current and former directors of the company, £5,846,359 (2004: owed by the company £2,052,179). The loan is included in debtors in note 7 (2004: creditors in note 8 to the accounts). The maximum loan outstanding during the year was £5,846,359. The loan is interest free and repayable on demand.

The company has taken advantage of the exemption in FRS8 that transactions do not need to be disclosed with companies 90% or more whose voting rights are controlled within the group.

At 30 September 2005 the company was owed £698,875 (2004: £772,448) by Optika Holdings Limited, a company 50% indirectly owned by I M Livingstone. The loan does not bear interest and is repayable on demand.

16 Ultimate parent undertaking

The company is a wholly owned subsidiary of London & Regional Group Holdings Limited, a company incorporated in England and Wales. The ultimate parent undertaking is Loopsign Ltd, a company incorporated in England and Wales. The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Limited.